



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Division Director

September 25, 2003

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director *MAW*

THRU: Wayne Hedberg, Permit Supervisor *WHD*

FROM: Paul B. Baker, Senior Reclamation Biologist *PBB*

SUBJECT: Request for Approval to Reduce Reclamation Surety, U. S. Energy Company, Velvet Mine, M/037/040, San Juan County, Utah

The Velvet Mine in San Juan County is currently bonded for \$63,900, and the operator, U. S. Energy Company, has now completed removing all facilities, sealing the portal, regrading a water treatment pond, and sealing three ventilation shafts. All that remains is to complete surface preparation and seeding. Doug Jensen and I inspected the site on August 19, 2003, and verified that this work has been completed.

The mine is on land managed by the Bureau of Land Management, and I contacted Ted McDougall of the Monticello BLM office. He concurred in an electronic mail message that the grading has been adequate and agrees with reducing the bond amount.

On September 18, 2003, the Division received a request from the operator to reduce the bond based on the reclamation work that has been completed. Doug Jensen has recalculated the bond amount as \$23,400 based on surface preparation and seeding costs.

Attached to this memorandum is a letter authorizing the bond reduction. Please sign the letter if you are in agreement with this action. The operator will obtain a replacement surety or a rider to the existing surety and will also provide a new reclamation contract. Thank you for your consideration of this request.

*Agree LPA 9/29*

LPB:PBB:jb  
Attachment: Letter authorizing surety reduction  
O:\M037-SanJuan\M0370040-Velvet\final\memo-09252003.doc